

AGRICULTURE
NATURAL RESOURCES
SMALL BUSINESS

Congress of the United States
House of Representatives
Washington, DC 20515-0603

August 5, 2014

804

The Honorable Tom Wheeler
Chairman
Federal Communications Commission
445 12th Street, SW
Washington, DC 20536

Dear Chairman Wheeler:

Broadband Internet access has become an essential part of the economic and social fabric in many rural communities, as a tool to build businesses, apply for jobs, enhance educational opportunities and connect to friends and relatives. With robust broadband service, even a small town can rely on its residents' talent and determination to compete with the world. Without it, the same community risks being left behind in today's technology-driven economy.

Phase II of the Connect America Fund ("CAF II") offers a tremendous opportunity to bring speedier, fiber-fed broadband connections to millions of Americans who would not otherwise receive these benefits. Thanks to the Commission's well-publicized efforts, thousands of rural communities are now counting on CAF II. Indeed, the June 10 Further Notice of Proposed Rulemaking (FNPRM) has raised hopes even higher by more than doubling the promised download speeds from 4 Mbps to 10 Mbps. And because CAF II represents the final phase of Universal Service reform for these areas, its rules will effectively determine—for years to come—how broadband support is distributed in these areas.

I am writing today to emphasize how important it is to ensure that the final details of CAF II live up to its promise. I am concerned that if the Commission more than doubles the speed requirements without allowing the appropriate level of flexibility in other elements of CAF II, the program's overall mission could be endangered. Increasing broadband speeds is not as simple as turning a dial.

To the Commission's credit, the June 10 FNPRM identifies a number of constructive ideas that could provide this flexibility, while helping achieve the speedier network goals without exceeding the CAF II annual budget. We urge the Commission to adopt several of these proposals. First, the CAF II funding period must be extended from the current 5 years to 10 years to allow adequate time for the construction of the higher-capacity network. Additionally,

when determining whether an area is “served,” the Commission should eventually count only services providing 10 Mbps speeds or higher, rather than 4 Mbps. Furthermore, the Commission should establish a verification process that ensures other providers are indeed providing 10 Mbps speeds to prevent overbuilding.

The Commission also must establish network build-out parameters consistent with the goal of providing quality broadband service to as many people as possible within the CAF’s limited funding framework. As such, the Commission should give providers the flexibility to use CAF support to build facilities to unserved consumers in partially served census blocks.

Despite years of federal efforts to overcome the digital divide, I still often hear from my constituents seeking assistance to bring broadband service to their homes. The concerns they raise are a reminder of how challenging rural broadband policy can be, but also how important it is. Thank you for considering my concerns, and I look forward to working with you.

Sincerely,

A handwritten signature in blue ink, appearing to read "Scott Tipton", with a stylized flourish at the end.

Scott Tipton
Member of Congress



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

August 28, 2014

The Honorable Scott Tipton
U.S. House of Representatives
218 Cannon House Office Building
Washington, D.C. 20515

Dear Congressman Tipton:

Thank you for your letter regarding the implementation of certain aspects of Phase II of the Connect America Fund (CAF II). In your letter, you express concerns that the overall mission of the CAF II program could be endangered if the Commission increases the current broadband speed benchmark for program recipients to 10 Mbps downstream /1 Mbps upstream without allowing flexibility in other elements of the program, and suggest several proposals to provide such flexibility. Your views are very important and will be included in the record of the proceeding and considered as part of the Commission's review.

I agree with you that high-speed broadband access is an essential component for economic growth in rural communities. The universal service program is one of the most important tools at our disposal to ensure that consumers and businesses in rural America have the same opportunities as their urban and suburban counterparts to be active participants in the United States of the 21st century. We are focused on updating the universal service high-cost program to ensure that we are delivering the best possible voice and broadband experiences to rural America within the confines of our Connect America budget, while providing increased certainty and predictability for all carriers and a climate for increased broadband expansion.

In April, the Commission voted to move forward with Phase II of the Connect America Fund for price-cap carriers. Among other things, the *Connect America Fund Phase II Report & Order* sets a term of 10 years for support awarded through the competitive bidding process to stimulate greater interest from participants and ensure that funding is targeted efficiently to expand broadband-capable infrastructure throughout the country. In addition, in the associated *Further Notice of Proposed Rulemaking (FNPRM)*, the Commission sought comment on a number of the issues you raise, including revising the current broadband performance obligations to require minimum speeds of 10 Mbps downstream, and applying the same performance obligations to all recipients of Phase II support and to rate-of-return carriers. The *FNPRM* also seeks comment on a proposal to allow recipients more flexibility as to other components of the program, such as the ability to substitute locations in partially-served census blocks for locations in the unserved census block for which it received support.

We expect a robust record on these topics and I welcome a dialogue with stakeholders as to how best to accomplish our shared objectives. I look forward to working with you as we continue reforming and modernizing the universal service fund high-cost program – as well as

Page 2—The Honorable Scott Tipton

other components of the Fund – to ensure that all Americans have access to robust voice and broadband services.

I appreciate your interest in this matter. Please let me know if I can be of any further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Wheeler", written in a cursive style.

Tom Wheeler